



U.S. Department of Justice

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Real Estate Agent/Graphics Designer who Participated in D.C. Property Tax Refund Fraud Scheme Sentenced to 37 Months in Prison

-- Real estate agent/graphics designer participated in theft and laundering of over \$600,000 from fraudulently obtained property tax refund checks; used graphics design skills to assist with cover-up of fraud scheme; conspired with OTR employees to commit mortgage fraud--

WASHINGTON – Alethia Olivia Grooms, 53, of Clinton, Maryland, was sentenced today in federal court to 37 months of imprisonment for her involvement in the \$48 million D.C. property tax refund fraud scheme orchestrated by former D.C. Office of Tax and Revenue manager Harriette Walters, announced U.S. Attorney for the District of Columbia Jeffrey A. Taylor, U.S. Attorney for the District of Maryland Rod J. Rosenstein, Joseph Persichini, Jr., Assistant Director in Charge of the FBI's Washington Field Office, Charles J. Willoughby, Inspector General for the District of Columbia, Special Agent in Charge C. André Martin, Internal Revenue Service, Criminal Investigation Division, and District of Columbia Chief Financial Officer Natwar M. Gandhi.

Grooms pleaded guilty on August 13, 2008, before the Honorable Emmet G. Sullivan, U.S. District Court for the District of Columbia, to Possession of Stolen Property, Conspiracy to Commit Money Laundering, and Conspiracy to Make False Statement in Connection with FHA Loan. In addition to 37 months of imprisonment (the maximum sentence under the voluntary federal sentencing guidelines), Judge Sullivan ordered Grooms to provide \$650,929.19 in restitution to the District of Columbia, serve three years of supervised release, perform 300 hours of community service, and pay a \$300 special assessment.

According to the factual proffer presented by the government at the plea hearing in August, Grooms participated in the theft and laundering of over \$600,000 from the D.C. government through the D.C. property tax refund fraud scheme. Walters used her position at OTR to create false property tax refund vouchers that produced millions of dollars of

fraudulent refund checks. From June 1989 through August 2007, Grooms and two of her friends received 17 fraudulent D.C. property tax refund checks, totaling over \$460,000. Grooms also laundered an additional \$145,000 in stolen D.C. funds through one of her bank accounts.

Grooms used her graphics design skills to help cover up the D.C. property tax refund fraud scheme. In June 2007, officials at SunTrust Bank became suspicious when a co-conspirator tried to deposit a \$410,000 fraudulent D.C. check at that bank. The co-conspirator asserted that the money came from the co-conspirator's participation in a tax sale auction at OTR. Grooms attempted to help the co-conspirator provide documentation by scanning a D.C. Real Property Tax Sale form with writing on it onto her computer.

In 2006, Grooms conspired with two OTR employees to commit mortgage fraud. Grooms was their real estate agent and assisted them with obtaining Federal Housing Administration loans. In their loan applications, these individuals falsely claimed to have second jobs and inflated their bank accounts by \$20,000. Using her graphics design skills, Grooms created bogus pay stubs and W-2 forms and forged bank statements.

In addition to her share of the proceeds of the fraudulent D.C. property tax refund checks, Grooms received cash, checks, and other items of value from Walters. In particular, Grooms received personal checks from Walters in the total amount of \$42,300.

All eleven defendants in this conspiracy have pleaded guilty, and all but two have been sentenced. Walters, the ringleader of the conspiracy, is scheduled to be sentenced on June 16, 2009, before Judge Sullivan.

In announcing today's sentence, U.S. Attorneys Taylor and Rosenstein, Assistant Director in Charge Persichini, D.C. Inspector General Willoughby, IRS Special Agent in Charge Martin, and Chief Financial Officer Gandhi commended the outstanding and dedicated team that has investigated this case and the entire OTR tax fraud scheme, including: FBI Special Agents Andrew Sekela, Julie Shields, Debra LaPrevotte, and Matthew Walsh, and Intelligence Analyst Jessica Pipher, Paralegal Specialist Lucy Sampson, and Contract Forfeiture Investigator Jerry Simpson; IRS CID Special Agent Nicole Davis and TIGTA Special Agent Edward Bosak; Director of Internal Security Charles Fultz and Senior Investigator Donna Tolliver, of the OCFO Office of Integrity and Oversight; Special Agent Kevin Craddock and Tax Auditor James LeSane of OTR; and D.C. OIG Special Agent Kerthalia Peavely.

U.S. Attorney Taylor commended Paralegal Specialist Diane Hayes; Criminal Investigator Diane Eickman; Legal Assistants April Peeler and Lisa Robinson; former Legal Assistant Michael Thompson; former summer legal intern George Ingham; former Assistant U.S. Attorney Geoffrey L.J. Carter; and Chief Steven Durham, and Deputy Chief Howard Sklamberg. U.S. Attorney Taylor also commended Information Technology Specialist

Oliver John-Baptiste, Litigation Support Specialist Joseph Calvarese, and the entire staff of the Litigation Services Unit in the U.S. Attorney's Office for the District of Columbia.

Finally, U.S. Attorneys Taylor and Rosenstein commended Assistant U.S. Attorneys Timothy G. Lynch and David S. Johnson from the U.S. Attorney's Office for the District of Columbia; Assistant U.S. Attorneys Jonathan Su and Deborah Johnston from the U.S. Attorney's Office for the District of Maryland; and Assistant U.S. Attorney Diane Lucas from the Asset Forfeiture Unit of the U.S. Attorney's Office for the District of Columbia.

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